

## Message Text

CONFIDENTIAL

PAGE 01 HELSIN 02181 071453Z

53

ACTION EUR-25

INFO OCT-01 ADP-00 EURE-00 AID-20 EB-11 NSC-10 RSC-01

CIEP-02 TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03

CIAE-00 COME-00 EA-11 FRB-02 INR-10 IO-13 NEA-10

NSAE-00 OPIC-12 LAB-06 SIL-01 PA-03 PRS-01 USIA-15

NIC-01 RSR-01 /188 W

----- 025628

P R 071410Z AUG 73

FM AMEMBASSY HELSINKI

TO SECSTATE WASHDC PRIORITY 6626

INFO AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY STOCKHOLM

USMISSION EC BRUSSELS

C O N F I D E N T I A L HELSINKI 2181

E.O. 11652: GDS

TAGS: PINT, EEC, FI

SUBJECT: OPTIMISM OUTWEIGHS PESSIMISM OVER FINLAND'S  
INTENTION TO SIGN EC AGREEMENT.

BEGIN SUMMARY. AS THE DEADLINE FOR SIGNING THE FINNISH EC  
AGREEMENT RAPIDLY APPROACHES WITHOUT VISIBLE SIGNS OF GOVERN-  
MENT ACTION IN THE YEAR SINCE THE AGREEMENT WAS INITIALED,  
PESSIMISM ABOUT THE GOVERNMENT'S INTENTIONS IS GROWING.  
KNOWLEDGEABLE SOURCES, HOWEVER, ARE BASICALLY OPTIMISTIC,  
DESPITE THE DILEMMA OF THE SOCIAL DEMOCRATIC PARTY (AND GOVERN-  
MENT) LEADERSHIP, WHICH IS HUNG ON ITS STATED PRECONDITION  
THAT SPECIAL DOMESTIC ECONOMIC LEGISLATION BE PASSED BEFORE THE  
AGREEMENT CAN BE SIGNED. COMMUNIST OPPONENTS OF THE AGREEMENT  
HAVE BLOCKED THE LEGISLATION IN PARLIAMENT. THE ISSUE MAY BE  
JOINED THIS MONTH. THE EMBASSY UNDERSTANDS THAT THE FINNS  
HAVE CONFIDENTIALLY INFORMED THE EC 9 THAT A SPECIAL SESSION OF  
PARLIAMENT WILL BE CALLED IN MID-AUGUST AND THAT THE AGREEMENT  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 HELSIN 02181 071453Z

WILL BE SIGNED SHORTLY THEREAFTER. END SUMMARY.

2. THE FIRST ANNIVERSARY OF FINLAND'S INITIALLED BUT STILL UNSIGNED AND UNRATIFIED FREE TRADE AGREEMENT WITH THE COMMON MARKET (EC) PASSED QUIETLY LAST WEEK AS FINLAND WAS STILL ON SUMMER HOLIDAY. LACK OF PALPABLE GOVERNMENT MOVEMENT ON THE AGREEMENT HAS LED TO SOME SPECULATION THAT THE GOVERNMENT IS NOT PLANNING TO COMPLETE ACTION BEFORE THE NOVEMBER 30 DEADLINE. THE PESSIMISTS POINT TO AN EXCLUSIVE INTERVIEW WITH PRESIDENT KEKKONEN IN HELSINGIN SANOMAT DURING THE CSCE MINISTERIAL IN WHICH HE STATED THAT IT MIGHT HAVE BEEN BETTER FOR FINLAND TO HAVE WAITED UNTIL 1975 TO NEGOTIATE ITS EC AGREEMENT. TIME IS ALSO RUNNING OUT RAPIDLY, SINCE ACTUAL SIGNING OF THE AGREEMENT MUST TAKE PLACE IN SEPTEMBER OR EARLY OCTOBER IN ORDER TO COMPLETE THE RATIFICATION PROCEDURES BY THE END OF NOVEMBER. PARLIAMENT, WHICH WOULD NORMALLY CONVENE ON SEPTEMBER 11, MUST ALSO DEAL WITH THE SPECIAL DOMESTIC ECONOMIC LEGISLATION WHICH THE SOCIAL DEMOCRATS, WHO LEAD THE GOVERNMENT COALITION, HAVE INSISTED IS A PRECONDITION TO ANY TIE WITH THE EC. THE COMMUNISTS, ADAMANTLY OPPOSED TO THE EC AGREEMENT, HAVE ALREADY BLOCKED ONE OF THE ECONOMIC BILLS, AND ARE EXPECTED TO DO THE SAME WITH THE REMAINDER -- CREATING A REAL DILEMMA FOR THE SOCIAL DEMOCRATIC LEADERSHIP, WHICH CONSIDERS ITSELF BOUND BY SDP CONGRESS RESOLUTIONS WHICH DEMAND PASSAGE OF THE LEGISLATION BEFORE THE EC AGREEMENT IS SIGNED.

2. IN A SPEECH ON AUGUST 5 TO THE VACATIONING SDP PARLIAMENTARY GROUP, PRIME MINISTER SORSA SPOKE OF THE PROBABILITY OF A "HOT" POLITICAL AUTUMN, STRESSED THE IMPORTANCE THE SDP PLACES ON THE PASSAGE OF THE ECONOMIC BILLS, AND INTIMATED THAT THERE MIGHT EVEN BE NEW EXTRAORDINARY PARLIAMENTARY ELECTIONS IN THE FALL, ALTHOUGH THEY WOULD NOT, IN HIS VIEW, CONSTITUTE A PAN-ACEA. HE ALSO SAID THE GOVERNMENT IS STRIVING, AND EXPECTS, TO ARRANGE ITS FOREIGN TRADE, I.E. SIGN THE EC AGREEMENT, WELL BEFORE THE END OF THE YEAR. HE GAVE NO SPECIFIC INDICATION, HOWEVER, ABOUT HOW THE SDP'S AND COMMUNISTS' VIEWS ON THE ECONOMIC LEGISLATION WILL BE RECONCILED.

3. ANOTHER POINTER TOWARD TIMELY SIGNING OF THE EC AGREEMENT IS A REPORT, APPARENTLY CLOSELY HELD WITHIN THE EC 9 BUT PROVIDED CONFIDENTIALLY BY A LOCAL EC 9 DIPLOMATIC SOURCE (PRO-CONFIDENTIAL

CONFIDENTIAL

PAGE 03 HELSIN 02181 071453Z

TECT) THAT THE FINNISH AMBASSADOR IN BRUSSELS HAS RECENTLY INFORMED THE EC COMMISSION, CONFIDENTIALLY AND UNDER INSTRUCTION, THAT THE FINNISH PARLIAMENT WILL BE CALLED INTO A SHORT SPECIAL SESSION IN MID-AUGUST AND THAT THE EC AGREEMENT WILL BE SIGNED SHORTLY AFTERWARD. OUR SOURCE SAYS THAT THIS INSTRUCTION IS KNOWN HERE TO ONLY A HANDFULL OF FINNS AT THE HIGHEST LEVEL. CORROBORATION OF FINLAND'S INTENTION TO SIGN THE AGREEMENT HAS ALSO BEEN GIVEN THE EMBASSY BY A CENTER PARTY SOURCE WHO

HAS TOLD US THAT FOREIGN MINISTER KARJALAINEN (CENTER PARTY) WILL SIGN THE EC AGREEMENT BEFORE SEPTEMBER 8 WHEN HE LEAVES ON A TWO WEEK TOUR OF AFRICA. SINCE THE SPECIAL SESSION OF PARLIAMENT, IF CALLED, WOULD PRESUMABLY DEAL PRIMARILY WITH THE ECONOMIC LEGISLATION, RATIFICATION OF THE EC AGREEMENT WOULD PRESUMABLY TAKE PLACE AFTER THE REGULAR SESSION CONVENES IN MID-SEPTEMBER.

4. DESPITE THE CATEGORICAL NATURE OF THE ABOVE INFORMATION, SLIPPAGE COULD STILL TAKE PLACE BECAUSE OF THE COMMUNIST OPPOSITION TO THE ECONOMIC BILLS. LACK OF REAL POLITICAL WILL ON THE PART OF THE SDP LEADERSHIP WOULD ALSO STALL THE SIGNING. THERE ARE INDICATIONS THAT NO ONE, INCLUDING PRESIDENT KEKKONEN, WANTS TO TAKE A CLEAR LEAD IN THE MATTER OF SIGNING UNTIL THERE IS A CONSENSUS THAT INCLUDES AT LEAST ELEMENTS OF THE FAR LEFT. THE MODERATE FACTION IN THE COMMUNIST PARTY WHICH MIGHT OTHERWISE QUIETLY ACQUIESCE AFTER REGISTERING VOCAL PROTEST, IS LOCKED IN CUT-THROAT IDEOLOGICAL BATTLE WITH THE LARGE STALINIST MINORITY IN THE PARTY, AND IS THEREFORE NOW LESS PRONE TO COMPROMISE. ON THE OTHER HAND, THE TOP TRADE UNION LEADER HAS RECENTLY ENDORSED THE EC AGREEMENT. IN SHORT, THE DOMESTIC POLITICAL COMPLICATIONS WHICH BEFOG THE EC QUESTION, SOME OF WHICH ARE CLEARLY THE RESULT OF THE INEPTITUDE OF THE SDP LEADERSHIP, SEEM NO CLOSER TO SOLUTION TODAY THAN ONE YEAR AGO.

5. WHILE THE SUPERFICIAL PICTURE DOES NOT APPEAR ESPECIALLY BRIGHT FOR TIMELY TREATMENT OF THE EC AGREEMENT, OPTIMISM FAR OUTWEIGHS PESSIMISM AMONG THOSE THE EMBASSY HAS SOUNDED OUT. THE WIDELY HELD VIEW TODAY AMONG INDUSTRY REPRESENTATIVES AND POLITICIANS ON THE CENTER AND RIGHT OF THE POLITICAL SPECTRUM IS THAT THE EC AGREEMENT WILL SOMEHOW BE SIGNED AND RATIFIED IN TIME. NO ONE, HOWEVER, HAS BEEN ABLE TO CALCULATE HOW THE SOCIAL

CONFIDENTIAL

PAGE 04 HELSIN 02181 071453Z

DEMOCRATIC PRIME MINISTER WILL PULL THE RABBIT OUT OF THE HAT.  
KREHBIE

L

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973HELSIN02181  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS KREHBIE  
**Errors:** N/A  
**Film Number:** n/a  
**From:** HELSINKI  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730854/aaaabnjx.tel  
**Line Count:** 157  
**Locator:** TEXT ON-LINE  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12-Sep-2001 by freemaal>; APPROVED <05-Nov-2001 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OPTIMISM OUTWEIGHS PESSIMISM OVER FINLAND'S INTENTION TO SIGN EC AGREEMENT.  
**TAGS:** PINT, FI, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005